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Britain and the Brandt Commission's Memorandum

The British Government has welcomed the second report[1] by the Brandt Commission (see pp 160-3) as a timely and valuable contribution to international discussion of the problems facing developing countries. A memorandum[2] published in July sets out the Government's response, giving an account of its attitude to the report and reviewing the action which the Government is taking on the various areas of concern addressed by the Commissioners.

The Government's memorandum supplements the views expressed by ministers in a debate in the House of Commons on 18 April (see pp 160-3), during which it undertook to publish its views in greater detail. The memorandum is summarised below.

Introduction

From the outset, the Government states, the Brandt Commission had rendered a valuable service to the international community. Its first report, published in 1980 (see pp 101-5, and 209-12, 1980), had led to the Cancun Summit of October 1981 (see pp 329-30, 1981) where participants had endorsed its central theme, that nations lived in an interdependent world. In Britain's case the facts of interdependence were plain. As a major trading nation and financial centre, Britain's prosperity was clearly linked to that of the developing countries which, for their part, had acquired a major position in the world economy.

There had, however, been common problems as well as benefits arising from this interdependence, among them high energy prices and inflation, low commodity prices, stagnant export markets and mounting debt problems, which had taken a heavy toll of growth prospects in most developing countries. This, in turn, had restricted the export opportunities of the industrialised countries. Sound domestic policies had a crucial role to play in a country's economic development, but, in addition, a lot depended on the international environment, and finding the right mixture of policies to deal with these problems had presented the international community with a formidably complex task. It was thanks partly to the impetus provided by the Brandt Commission that there was a greater international awareness that the task had to be tackled with an understanding of the needs of developing countries, and of the particular problems of the poorest among them.

Growth in the World Economy

Turning to a more detailed review of the world economy, the Government noted that despite areas of great deprivation, the overall picture was one of progress. The development process had acquired a considerable momentum and the experience of the last 30 years provided a solid basis for optimism that the task of improving living standards in the developing countries could be carried successfully forward in the coming years.

The best way to bring about the resumed real growth which all countries so badly needed was through a determined attempt over the medium term to tackle the underlying problems in the world economy. The Government believed that solid progress had been made in the past few months towards a consensus among the major industrial nations on a medium-term approach to a return to sustainable growth in the world economy. Members of the Organisation for Economic Co-operation and Development (OECD), at their ministerial meeting in Paris in May, had announced their intention to adopt policies which would take full account not only of the interdependence between different countries and regions, but also of the links between growth, trade and debt. In particular, they agreed that a return to sustained growth required more positive adjustment policies, more reliance on market forces, and more productive investment, and also agreed on the need to reverse protectionist trends in the world economy, especially as the recovery got under way. Further efforts were also necessary by both debtor and creditor countries to ensure a sustained supply of finance to debtor countries, in support of determined domestic adjustment policies, and to work towards more predictable and transparent trade regimes. To ensure that developing countries also benefited from the recovery, and to give momentum to their economic and

[1] *Common Crisis. North-South: Co-operation for World Recovery.* The Brandt Commission 1983. Pan Books Ltd. £1·95. ISBN 0 330 28130 5.

[2] *'Common Crisis'. Co-operation for World Recovery: The Brandt Commission 1983.* Memorandum prepared by the Foreign and Commonwealth Office. HMSO, £3·15. ISBN 0 10 190010 4.

social progress, OECD ministers recognised the need to maintain and as far as possible increase their aid, to work together with the developing countries in implementing the policy reforms required for resumed development progress, and to ensure adequate funding from all contributors to the multilateral development institutions.

The Brandt Commission had placed considerable weight on the creation of major new flows of non-commercial liquidity, and its recommendations had differed in this respect from the approach generally agreed among the OECD governments and which the British Government generally endorsed. The Government did not believe that any significantly different overall approach to the problems of the world economy was available in practice, a view shared by the other participants at the economic summit at Williamsburg in May 1983 (see pp 193-4).

In their Memorandum, the Brandt Commissioners had dismissed the suggestion that developing countries were solely responsible for their problems due to deficiencies in their domestic policies, but had pointed out that some of them 'pursued policies which compounded the damage inflicted by external factors'. Overvalued exchange rates, lack of appropriate price incentives, lax credit policies, and double- or even treble-digit inflation had, they said, to be corrected. For its part, the British Government, while acknowledging the serious effects of the world recession on the economies of the developing countries, had no doubt that, without realistic and sound domestic policies, including market pricing policies, no amount of external support could assure prosperity in the developing countries.

Finance

Recalling that the question of finance lay at the heart of the Brandt Memorandum, the Government noted that the common thread in this context was the need to increase the flow of financial resources to the developing countries.

International Monetary Fund

The Brandt Commission, said the Government, was concerned that, in fulfilling its role of providing financial help to members with balance of payment difficulties, the IMF might have lost sight of its 'primary objectives' of promoting high levels of employment, income and economic development. The IMF had analysed the Commission's arguments, concluding that demand management policies and measures to improve supply conditions and to strengthen the productive base of the economy were clearly conducive to balanced and sustainable growth, and this was borne out by the Fund's records. The British Government endorsed this analysis and believed that the IMF was clearly correct to encourage countries facing balance of payments difficulties to approach it at an early stage. The Fund's conditionality[1] had been broadly appropriate over recent years and its programmes offered the best way for countries to make an early return to economic growth. The conditions imposed on Fund support had, of course, to respond flexibly to political and social conditions in borrowing countries. Britain had always stressed that an essential element of a Fund programme was that the country concerned accepted it and was prepared to implement it.

IMF support, which should be substantial, could not be the sole means of finance for countries in difficulty, however. The international banking system had also to share in financing developing countries in order to maintain the revolving nature of the Fund's resources. Recently, the Fund had played a valuable role in helping countries in particularly severe difficulties to reschedule their international debts. Agreement on an IMF programme was often important in opening the way to further flows of international credit.

The British Government had played an active part in promoting agreement on measures to increase the resources available to the IMF. Under the chairmanship of the present Foreign Secretary, Sir Geoffrey Howe (then Chancellor of the Exchequer), the IMF Interim Committee had agreed in February 1983 to increase quotas by 47·5 per cent from 61,000 million to 90,000 million Special Drawing Rights (SDRs) and to bring forward by two years the implementation of the quota (subscription) increase. It had also agreed to expand the size of the General Arrangements to Borrow from 6,400 million to 17,000 million SDRs. Together, these measures would virtually double the usable resources available to the IMF. Britain had ratified them and hoped that other countries would soon do so in order to bring the quota increase into effect by the end of 1983.

One of the Brandt Commission's principal recommendations was that there should be a new allocation of some 10 to 12 million SDRs a year, over the next three years. The British Government welcomed the decision of the IMF Interim Committee that the Fund should re-examine the question of a new SDR allocation, in time for it to be considered by the next meeting of the Committee in September.

The Brandt Commission also made proposals for liberalising and enlarging the Compensatory Financing Facility (see footnote p 287, 1982), which had been frequently expanded since its introduction in 1963 and which in 1982 accounted for nearly 30 per cent of all Fund drawings. The Facility was due to be reviewed in 1983, and the British Government intended to play its full part in this, recognising the need to respect the principle of the revolving use of the Fund resources, and bearing in mind the pressure which changes in the Facility would place on other Fund operations.

World Bank Group

The British Government shared fully the Commission's view of the central position of the World Bank (the International Bank for Reconstruction and Development – IBRD) and its concessional lending arm, the International Development Association (IDA), in the multilateral development field, and also particularly valued the World Bank's role as a focus for development policy discussions

[1]Because the IMF is a 'revolving' fund, that is, repayments are re-lent to new borrowers, it has to attach conditions to its loans to ensure that recipient countries restore their balance of payments position so as to be able to repay the loan.

with borrowing countries. Britain had never wavered in its support for the IDA, and had played a leading part in securing the release of a substantial commitment authority to the IDA in fiscal years 1982 and 1983, when this had been threatened by delays in other countries' contributions. It had also participated in special arrangements for financing the IDA in 1984 (see pp 264-5). Britain agreed that the main donor countries should seek an early conclusion to the negotiations on the IDA's seventh replenishment, and believed that discussions had to focus on a realistic total and that contributions had to be distributed between donors on an equitable basis since it would be a disservice to the IDA to raise expectations about the level of the replenishment which, as with the sixth replenishment, the major donors were subsequently unable to deliver. For this reason the Government had doubts about the Brandt Commission's objective of an increase in real terms over the total originally negotiated for the sixth replenishment and which implied total subscriptions by donors of not less than US $16,000 million over a three-year period.

The Government supported the Commission's view that India (traditionally the IDA's major borrower) and the People's Republic of China (which had only recently joined the World Bank group) should continue to have access to IDA credits, but within limits so as not to pre-empt the funds available to other traditional borrowers. These were normally offered on near-grant terms, which had become even more concessional than originally intended owing to the rise in world interest rates. The Government would therefore not oppose some hardening of the terms at least for the better-off borrowers, as a means of speeding up the recycling of IDA funds, which would increase the amounts available for new lending in the medium term.

On the Commission's recommendation that the limit on the proportion of World Bank/IDA commitments which could be used in any one year for structural adjustment lending and sectoral development (known collectively as programme lending) should be increased from 10 to 30 per cent, the Government commented that the 10 per cent ceiling on structural adjustment had not yet been reached. It should certainly be reviewed as the need arose; but an increase to 30 per cent would be at the expense of the Bank's traditional project lending, and the Government was not convinced that this was either necessary or prudent. It also considered that the World Bank's conditions for structural adjustment should be carefully set so that they were attainable by the borrower; it should not, however, become involved in virtually unconditional balance of payments support.

Other measures proposed by the Commission for increasing the World Bank's resources were welcomed by the Government with the proviso that their possible effects would need to be carefully considered. On the Commissioners' call for increased financial support for the International Finance Corporation (IFC), the Government said that if a proposal came forward for an increase in the IFC's capital stock, it would consider it in the light of other claims on aid resources. Britain also supported the Commission's call for the World Bank and the regional development banks to endeavour to expand co-financing with private banks, and had welcomed the efforts being made to that end during the past 18 months.

Development Assistance

The Government had consistently stated that official aid had an essential part to play in helping to foster economic and social development in the poorer countries. A review of Britain's aid policy in 1980 had reaffirmed the importance of such objectives but at the same time had found that rather more attention should be paid to political, commercial and industrial considerations. The Government had accepted this, and considered that there need be no conflict between these considerations and the development aim (see pp 357-8, 1980).

Although the aid programme could not be immune from the discipline of public expenditure control, the Government intended, within the limits of Britain's economic circumstances, to maintain a substantial programme of assistance to developing countries. The net aid programme for the financial year 1983-84 would be £1,037 million, an increase of over 8 per cent on 1982-83. Provisional planning figures for the net aid programme in 1984-85 and 1985-86 were £1,100 million and £1,130 million respectively.

Britain had accepted the three United Nations targets for resource transfers to developing countries. For many years it had exceeded the target of 1 per cent of gross national product (GNP) for combined private and official flows – in 1982 the net flow was estimated to be 1·29 per cent of GNP. However, Britain has not committed itself to a timetable for achieving the target of 0·7 per cent of GNP for net official development assistance to all developing countries, successive governments having recognised that progress towards this had to depend on domestic economic conditions and on other calls on Britain's resources. In 1982 Britain was the fifth largest Western aid donor, its net official development assistance totalling £1,024 million, equivalent to 0·38 per cent of GNP. This compared with £1,080 million (0·44 per cent) in 1981 and £796 million (0·35 per cent) in 1980.[1]

With regard to the third target of 0·15 per cent of GNP for net official development assistance to the Least Developed Countries, which was adopted in 1981 without any time-scale for its attainment (see pp 254-60, 1981), Britain in 1982 achieved an estimated 0·11 per cent of GNP compared with an average for Western donors of 0·09 per cent. Britain gave a higher proportion of its bilateral aid to the poorest countries, which included many populous ones which did not appear on the United Nations list of Least Developed Countries, than any other major donor, and the Government had consistently stressed that they would continue to remain beneficiaries of Britain's aid programme.

[1]The fall between 1981 and 1982 is attributable mainly to the pattern of aid disbursements to India, with most of the allocation for the financial year 1982-83 being disbursed in early 1983.

With a few minor exceptions Britain had already implemented the Commission's recommendation that aid donors ease the burden of debt on the least developed countries by waiving repayments due on past aid loans for these countries (see p 304, 1978). All British aid to these countries, and to a number of others among the poorest group, was now provided in grants.

The British Government attached importance to maintaining substantial bilateral country programmes and was continuing to examine critically expenditure on multilateral aid. Although as a general aim Britain would seek to reduce its share in future replenishments of multilateral organisations to a level more consistent with its relative economic strength among traditional Western donors, the bilateral share of the aid programme was expected to fall over the next few years because of the rising volume of contributions to multilateral agencies stemming from past commitments, especially those through the European Community and the World Bank group.

Britain had also established an Aid and Trade Provision within the aid programme in order to provide British exporters with an opportunity to compete on equal terms for sound projects in developing countries. At the same time the Government was pressing strongly for greater international regulations of the practice of mixed credit, such as the guidelines for such transactions recently agreed by the Development Assistance Committee of the OECD (see pp 230-1).

The Government shared the Commission's wish to see a more effective use of aid and increased aid co-ordination. Procedures for monitoring the aid programme had been strengthened and techniques for appraising projects had been improved to take full account of their social, environmental and population planning aspects, in addition to the customary economic and technical aspects, with a view to increasing their benefits in particular to the poorest sections of the world community. Britain was playing an active role in respect of these objectives within the European Community and the OECD's Development Assistance Committee.

Like the Brandt Commission, the Government believed that volunteers and voluntary agencies had successfully carried out valuable work in developing countries, and that their efforts, especially amongst the poorest, should be encouraged. The Government had provided for increased financial contributions to various elements of Britain's aid programme in recognition of this.

United Nations Agencies

Noting the Commission's reference to the recommendation made at the Cancun Summit that there should be a review of the agricultural and food agencies working within the framework of the United Nations, the Government reaffirmed its support for such a review and its commitment to the UNDP as the central funding and co-ordinating body for technical co-operation within the UN system. Britain would continue to support UNDP and other UN agencies to which it made voluntary contributions, within the limits of its resources.

Private Capital Flows

Like the Brandt Commission, the Government believed that private investment overseas had a very important role to play alongside official aid in providing finance, increasing employment and introducing new skills.

British individuals and companies had consistently invested large sums overseas, much of it in the developing world, and the Government had an important role in creating a climate both at home and overseas which facilitated the flow of investment. It agreed wholeheartedly with the Commission's belief that strong efforts should be made to ensure that conditions for investment were satisfactory both to investors and host countries. In 1979 the Government had lifted all exchange controls. It had also signed 21 bilateral Investment Promotion and Protection Agreements with developing countries and intended to continue negotiating such agreements in future. It supported the work within the IFC on the encouragement of private investment, and in the World Bank on establishing a Multilateral Investment Insurance Agency. Furthermore, it planned to expand its own Overseas Investment Insurance Scheme, operated by the Export Credits Guarantee Department.

International Debt

The Government acknowledged the importance of the problem of debt and was playing a full part in international efforts to deal with it. But the Government believed that it was in the long-term interests of both borrowers and lenders to maintain a case-by-case approach to debt problems, based on the normal disciplines involved in lending and borrowing. The international banking system had a major role to play in realising the development potential of countries in the Third World, and it was essential that the credit standing of the developing countries, on which their access to bank lending depended, should be maintained.

International Financial Institutions

The Government agreed with the Brandt Commission that the international financial institutions could not stand still. Britain believed in strengthening and adapting them and giving them the resources they needed to enable them to meet the changing needs of the international community. It was not convinced that the creation of new institutions, such as the World Development Fund proposed by the Commissioners, would provide solutions to the problems of the world economy. Nor was it in favour of radical changes to existing institutions.

Law of the Sea

The Brandt Commission had called for all nations to sign the Convention on the Law of the Sea (see pp 24-6). Britain, however, while acknowledging the value of much of the Convention, did not believe that it contained a satisfactory and secure basis for the development of deep sea-bed mining, and had not signed the Convention when it was opened for signature on 10 December 1982.

It was the Government's view that the generation of revenue from the resources of the deep sea-bed was likely to occur only if there were universally agreed provisions establishing a workable system for their exploitation and providing the necessary incentives for investment. It was therefore in the interest of co-operation between industrial and developing countries that such a regime should emerge, and the Government intended to continue to work with the international community to seek to achieve this objective.

Trade

With export earnings accounting for the majority of the developing countries' foreign purchasing power, OECD ministers and the Williamsburg summit partners had recognised that growing export markets were essential to alleviate the economic problems these countries faced. They had also stressed their commitment to keeping markets open, as well as to working together to restore sound economic growth in the world economy. The OECD countries accounted for some two-thirds of the total export earnings of the developing countries and they in turn constituted an important export market for the OECD countries, accounting for approximately 24 per cent of their export earnings in 1980.

Britain, which shared a common external trading regime with the other countries of the European Community, recognised the need for developing countries, and particularly the poorer ones, to have preferential access to Community markets. It therefore fully supported the Community's extensive preferential trade agreements for developing countries, which already offered substantial preferential access, four-fifths of all developing country products being admitted free of duty to the Community. These agreements consisted of the Lomé Convention (see p 322, 1979), special agreements with Mediterranean countries and the Community's Generalised Scheme of Preferences. The last, which permited duty-free access to Community markets for most industrial exports from developing countries and preferential access for many agricultural products, was widely recognised as one of the most liberal of its kind.

Export Earnings

The Government recognised the importance to developing countries of earnings from exports of commodities and the effect on them of fluctuating prices. As well as supporting the UNCTAD Integrated Programme for Commodities, Britain was a member of all existing International Commodity Agreements except that for sugar, and hoped that the current negotiations on a new International Sugar Agreement would lead to full membership by the Community. Britain had also signed and ratified the Common Fund, which would contribute to the financing of international buffer stocks (see pp 240-1, 1980). Provisions for financing shortfalls in export earnings were contained in the IMF's Compensatory Financing Facility, while the European Community's STABEX scheme had provided over £300 million between 1980 and 1985 to African, Caribbean and Pacific developing countries to help compensate for fluctuations in earnings from agricultural exports to the Community.

GATT

With exports of goods and services accounting for over 30 per cent of GNP, Britain had a particular stake in the open trading system enshrined in the General Agreement on Tariffs and Trade (GATT) and was as concerned as the Brandt Commissioners about any erosion of its openness and orderliness. The Government was committed to the maintenance, strengthening and extension of the system, and this had been echoed in the communiqué of the OECD ministerial meeting and the Declaration on Economic Recovery issued at the Williamsburg summit. With its partners in the European Community, the Government intended to play a full and constructive part in translating into practical action the commitments made at these meetings, as well as those made at the 1982 GATT ministerial meeting (see pp 401-2, 1982) on ways to improve international trade.

Multi-Fibre Arrangement (MFA)

The Government recognised, as had previous governments, the special problems of the textile and clothing industry, which, despite its decline, still accounted for 9 per cent of the British workforce in manufacturing industry.

The MFA was described by the Brandt Commission as 'the worst example of the current array of protective measures'. The MFA clearly affected exports of low-cost textiles and clothing from developing countries. However, it provided for orderly trade, to the benefit of importing and supplier countries alike, in a sector of exceptional sensitivity. It was arguable that if there were no MFA in the present circumstances of world recession, not only would the industries of the developed importing countries suffer and jeopardise the economic recovery so vital to the stimulation of world trade, but there could be no guarantee that the weaker, low-cost suppliers (a majority of the developing countries) would maintain their share of trade against the dominant suppliers.

The bilateral agreements with supplier countries which the Community had concluded during 1982, to run to the end of 1986, had been designed to hold back the overall growth of Community imports to the forecast level of Community consumption. The Government believed that this was not an unreasonable restraint. But it also believed that the resilience, strength and entrepreneurial skill of Britain's textile and clothing industry would enable it to take full advantage of the breathing space provided by the MFA to adjust to the new international trading conditions in this sensitive sector.

Protectionism

The Brandt Commission was particularly critical of the circumvention of Article XIX of GATT (the safeguard clause permitting countries to resort legitimately to protection for a limited period when domestic producer industries were threatened with 'serious injury'). It regarded bilateral 'voluntary restraint arrangements' and 'orderly marketing arrangements' as a form of discrimination among

supplying countries and therefore an infringement of one of the fundamental principles of GATT.

The European Community had traditionally been one of the most accessible markets, and short-term protectionist measures, while reflecting the very real economic problems of the moment, also, in the Government's view, eased strain on the open trading system. The alternative would be restriction of trade on a much wider basis. In the same way that the Brandt Commission welcomed the bilateral steps taken by the United States and the Community to avoid a trade war over the issue of agricultural export subsidies, so the Government had accepted voluntary restraint (or orderly marketing) arrangements as representing a pragmatic response to the changing international trading situation. Nonetheless, the Community was continuing to play a constructive role in GATT's examination of the safeguard provisions.

Food and Energy

While encouraged that global food production over the last decade had kept slightly ahead of population growth, the Government was concerned that in some countries, especially in Africa, this had not been the case, and attached high priority to food questions within its overall approach to the problems of development.

Food

The Government strongly supported the concept of national food strategies as a means of helping developing countries to attain self-sufficiency, and was actively participating in the European Community initiative to help certain African countries, including Kenya, Zambia, Mali and Rwanda, to implement their food strategies. In addition, Britain had helped The Gambia to design its food strategy.

The recommendations in *Common Crisis* for greater aid to agriculture within greater total aid flows presupposed, in the Government's view, that country, agency and institutional priorities in favour of this sector coincided. There were limits on the size of Britain's aid programme, but the Government had supported more lending by the international financial institutions and priority for the rural sector in their programmes, and most had adopted satisfactory sectoral targets.

The Government supported the International Emergency Food Reserve both through its national contribution and that of the European Community, and it hoped that other donors would shoulder their fair share of the international community's obligations in this field. However, it did not agree with the Commissioners' proposal to increase the target of the International Emergency Food Reserve from 500,000 tonnes to 2 million tonnes.

Recognising the place of cereals reserve stocks in food security plans, the Government supported the call for a new and improved International Wheat Agreement. It also supported the recommendation for increased support for agricultural research, and the development of indigenous research capacity, and would endeavour to pursue this recommendation within the limits of aid resources.

The Government agreed with the Memorandum's call for donors and recipients to correct the past deficiencies in some uses of food aid. While acknowledging the need for food aid in emergencies, the Government believed that in general other forms of aid were more developmentally effective.

Energy

Welcoming the relief to the world economy from recent trends in energy prices, particularly those of oil, the Government shared the Commission's assessment that conditions could change when world economic growth revived. It would be damaging if uncertainty about longer-term developments in energy markets were to result in inadequate investment in energy efficiency or new energy sources, which could lead in due course to renewed pressure on energy supplies and prices. The Government would continue to pursue policies of encouraging indigenous production of energy and supporting and stimulating relevant research and development.

The Government believed that better bilateral contacts between oil-exporting and oil-importing countries would increase mutual understanding of energy markets and of the benefits to all of greater price stability. It had therefore had frequent and valuable informal discussions with OPEC countries in recent months and intended to maintain such contacts with members of OPEC and with other oil-producing countries, while maintaining the framework of close co-operation with Britain's partners in the European Community and the International Energy Agency. But the Government doubted whether the negotiation of a 'deal' between OPEC and oil-consuming countries as suggested in the Memorandum would be practicable, or would allow enough flexibility in the development of the world economy to maximise the opportunities for growth. Nor did it seem likely that a formalised dialogue would be more productive than existing contacts.

Aid to oil-importing developing countries, the Government believed, should give special attention to the exploitation of indigenous energy resources, and a significant proportion of Britain's aid already supported energy-related developments. The Government agreed with the Brandt Commission that the results of energy research should be disseminated as widely as possible, but was not persuaded that any new institution was needed to do this. It was, however, ready to support an Energy Affiliate of the World Bank to channel increased investment into energy production and a more efficient use of energy in developing countries, provided it could attract additional funds not otherwise available to the World Bank and that it had full international participation.

The Negotiating Process

Warning of the dangers of discussing international economic issues in an over-simplified North-South framework, the Government said that it agreed with much of the advice contained in the 1982 report by a Commonwealth group of experts entitled *The North-South Dialogue – Making it Work*. Among other things, the report, which had

been backed by the Brandt Commission, had drawn attention to the need for increased diversity in negotiating processes, less duplication between international organisations, greater use to be made of single issue conferences and shorter conference agendas, and the setting aside of rhetoric in favour of concentrating on practical measures of benefit to both developing and developed nations. The report also urged developing countries to recognise the importance of sound domestic policies in economic development, and it reminded the industrialised nations of the need to take account of the political and strategic dimensions of economic development in the Third World.

The British Council

In 1982-83 the British Council, which celebrates its fiftieth anniversary in 1984, spent £163·9 million in promoting knowledge of Britain and the English language overseas, in developing cultural relations with other countries, and in assisting in educational advancement in the developing world. The Council's annual report was published in August.[1]

The Council seeks to promote 'an evolving understanding and appreciation of Britain in other countries through cultural, educational and technical co-operation'. It is also concerned to assist developing countries through the provision of expertise and skills not available locally and of training opportunities in Britain, and is playing an increasingly important role in the provision of British educational assistance. In 1980-81 it assumed responsibility for all links and exchanges in higher education which require official support.

During the year the Council assisted 20,100 overseas students and visitors to come to Britain and some 3,390 British specialists in education and other subjects to work or undertake professional visits abroad. In addition, about 18,800 young people took part in youth exchange schemes. Over 152,000 students learned English with the direct or indirect help of the Council, which also arranged for 1,550 English language teachers and advisers to work overseas. Book issues by Council libraries in 1982-83 totalled 6 million from a library stock of 2 million, while 269 book exhibitions involving 80,000 books and 3,100 periodicals were held in 72 countries. In addition, £1·4 million was spent on book presentations to 870 institutions in 99 developing countries and 2 million textbooks from the educational low-priced book series were sold in nearly 80 developing countries. British dance and drama organisations toured 63 countries, while music tours covered 68 countries and fine art exhibitions were organised in 43 countries. Some 37,000 films were held in Council libraries overseas and 150 films were supplied for British Film Weeks abroad.

[1]*The British Council Annual Report 1982-83.* HMSO/British Council. £2. ISBN 0 901618 99 3.

The Council and Educational Aid

Educational aid and technical co-operation are major areas of British Council activity and this is reflected in the contribution of the Overseas Development Administration (ODA) to the Council's budget (£29·4 million in 1982-83). In addition, the Council administered a further £51·1 million of educational assistance on the ODA's behalf.

This work is designed to transfer much-needed skills to the developing world and includes the provision of training opportunities in Britain, the development of methods and curricula for English language, science and mathematics teaching, the provision of assistance to library and information services and the establishment of links between educational institutions in Britain and the developing world. The Council's experience has also enabled it to increase the work done in Britain on behalf of multilateral agencies such as the World Bank group, the European Development Fund and the Asian Development Bank.

Training

A major element in this assistance is the Technical Co-operation Training Programme which, administered by the Council and financed by the ODA, represents the Council's largest single activity in the developing world. Directly aimed at creating the trained manpower essential to national progress and economic development, the programme embraces training in subjects ranging from educational administration, curriculum development, manpower planning and tropical medicine to irrigation, agricultural education, rural development and industrial training.

The number of technical co-operation trainees in Britain during 1982-83, some 8,350, was the largest ever handled by the Council. They came from 123 countries at a cost of £35·25 million. The largest country training programme was for India where the number of new awards exceeded 500 for the first time with, altogether, 860 study fellows under training during the year. The number of students from Zimbabwe continued to increase, with 550 study fellows attending courses. In addition to normal country programmes the British Council administered 85 awards for trainees with refugee status from Afghanistan and Namibia.

An increasing proportion of the training programme is being devoted to awards which are related to the ODA's capital or technical co-operation projects. In the case of India, for example, 51 per cent of the new awards offered were project-related. During the year 49 officials from Coal India Limited, including senior managers, workshop staff and ventilation engineers, came to Britain under the Council's auspices for training with the National Coal Board and mining equipment manufacturers as part of a £31 million aid programme for the Indian coal sector. In Tanzania, the ODA is funding the construction of a new referral hospital and the refurbishment of an existing maternity hospital, both at Mbeya. The project involves the training of personnel for both hospitals and the establishment of rural health centres. The Council has so far arranged training

in radio-diagnosis, and five nurses attended post-basic courses in British hospitals. The Council has also arranged programmes for instructors and senior officers from the Indonesian National Institute of Public Administration who came to Britain under an ODA-funded project to develop expertise in management training.

English Language Teaching

The Council's English language teaching work forms a major component in Britain's cultural, educational and scientific relationships with other countries. This work brings the Council into contact with more than twice as many people as it does in all its other programmes combined, at any one time there being some 52,500 students in attendance at the Council's 40 institutes in 29 (mainly developing) countries. In addition, the Council is closely associated with institutes and anglophile societies abroad which teach English to over 100,000 other students.

In those parts of the developing world where English is a foreign language rather than a second language the Council is largely concerned with teaching the language only, though in those countries where it has its own centres students learn something about British culture at the same time. In Commonwealth countries, however, where English is the second language and where there is a tradition of literary studies in the local language, the Council complements its English language teaching with literary studies, visits by critics and writers from Britain, and study tours, summer schools and specialist courses in Britain for members of local centres.

An important element in English language teaching is the teaching of teachers of English. This is mainly achieved through the Key English Language Teaching programme financed by the ODA. It operates by placing British specialists in English language teaching in 'key' institutions, such as teacher-training colleges and ministries of education, where their work can have a multiplier effect in advancing the use of English in host countries. A local counterpart is normally trained to take over from the British specialist at the end of the project. Recently, discussions with the authorities in the Yemen Arab Republic have led to the establishment of a language centre in the University of Sana'a at which four teachers will be supported by the scheme.

In many parts of the world the Council is involved in teaching people the particular English language skills they need to do their job ('Teaching English for Specific Purposes'). For instance, in collaboration with the Anglo-Mexican Cultural Institute, the Council has run special courses in Mexico for research workers in the oil industry and for 140 bankers. Similarly, in Saudi Arabia the Council has recruited four instructors and a Director of Studies to teach English to oil workers in Riyadh. (A similar programme in Jedda began in 1979.) In Jakarta, Indonesia, the Council's language centre continues to serve the English language needs of British and other technical co-operation programmes, especially World Bank aided projects. About 500 people are given full-time release for periods of up to six months to attend the centre, while a further 400 follow semi-intensive courses to improve their English for their immediate professional needs.

Other recent assistance in the English language teaching field has included courses for 200 police officers designated to guard the embassies in Riyadh, Saudi Arabia; opening a pilot English teaching centre in Colombo, Sri Lanka, with courses for government officials and for candidates nominated for ODA technical co-operation training awards; advising the Government of Oman on the appointment of consultants on the English language facilities required in the Sultan Qaboos University which is due to open in 1986; and providing teacher-training for a new English teaching centre in Korea designed primarily to run specialist courses for the Korean Ministry of Education. Following a Council-led delegation to the People's Republic of China to assess the state of English language teaching, increased support for teacher-training assistance to China has been approved by the ODA.

Books and Libraries

In a world where there are severe shortages of books, journals and other reading materials, the Council's libraries and its programme of book aid form an essential part of Britain's educational aid to developing countries (for details see above). Through its world-wide network of libraries, the Council not only encourages people to read British books, but provides a mechanism for the transfer of know-how to the developing world and an important access point to British resources in a wide variety of subjects and specialisms.

Wherever possible, Council libraries complement other library services available in a country. In Malaysia, a new Council library opened in May 1982 achieves this by concentrating on professional and specialist areas, such as technology, business, management and law as well as English language and literature. In Harare, Zimbabwe, the Council library which opened in 1981 now has a membership of 8,000, with a waiting list of 2,000, and each day issues 530 books, most of which are educational textbooks. During the year a new library, entirely financed from the revenue from English language teaching in the country was opened in Ecuador; it is the Council's second library in Latin America, the other being in Colombia.

Among the larger presentations under the ODA-funded Book Presentation Programme, which provides educational and developmental institutions in developing countries with specially tailored, self-selected book presentations, was £12,000 of books for secondary school libraries in Zimbabwe which have been developed as part of the British supported rehabilitation programme in resettlement areas. During the year funds from the presentation programme were used for in-country training courses in basic library management and user education. Two British lecturers were involved in and 298 students were trained on nine courses. In all, 86 advisers and consultants on British books and libraries went overseas in 1982-83, while some 300 libraries and infor-

mation workers came to Britain with help from the Council.

The 269 book and periodical exhibitions organised by the Council covered a wide range of topics, many of them of particular interest to the developing countries. These included adult literacy (Botswana), food technology and production (China), arid lands and irrigation (Ecuador), rural development and tropical agriculture (Sierra Leone) and energy resources (India). English language teaching exhibitions were organised in 13 developing countries (as well as a number of others in developed countries).

Academic Links

Co-operation between British universities and those in the developing world increased during 1982-83. Following a Council mission to Thailand, the help of British universities was sought in setting up a school of dentistry, and in establishing new courses in agricultural engineering and maritime and petroleum studies. In addition, a link was established in biological research between the Prince of Songkla and Aberdeen universities, and a request made for the Open University to help in establishing a Thai equivalent. Following a similar mission to Indonesia, a link was established between the College of Librarianship in Aberystwyth and the University of Indonesia on library and media services. Other new links included that between the Dundee Centre for Medical Education and the University of Science in Penang, Malaysia, to develop the latter's medical school and research facilities, and those of the University of Glasgow with the universities of Annaba and Batna in Algeria and a number of jointly funded links between British and Spanish universities in various subject areas, including computers, computer design, microelectronics, materials science and agriculture. In Sri Lanka, an established link between the universities of Reading and Colombo enabled the successful use of microcomputers in the television coverage of Sri Lanka's presidential election. This was the first time that computers had been used in a national election and the first time that the elections had been televised.

Other Specialist Assistance

Typical of the Council's work at primary school level was the provision of a consultant to help set up a unit in Lesotho to supply primary schools with textbooks on English, Sesotho and mathematics, and the adaptation for use in Kenya of a teachers' resource book first developed for use in India. In Indonesia, at secondary level, the Council is helping the government and United Nations agencies with an in-service programme designed to ease the problems associated with the rapid growth in the need for science and mathematics teaching and the shortage of well-qualified teachers. The programme has now reached many hundreds of Indonesian secondary schools where mathematics is taught according to the Scottish curriculum. Dundee College of Education has played a major part in the programme.

In Zimbabwe, the Council is providing equipment and has devised an integrated package of training and specialist advice for the schools broadcasting unit, particularly with regard to its operations in rural areas, while in Kenya it has advised on improving the central organisation of and increasing teacher mobility in an adult literacy programme. Support for special education has included the assessment of training needs and the design of training programmes for the staff of the Queen Alia Fund and associated voluntary organisations in Jordan involved in teaching handicapped children. The Council is also providing advice on the establishment of centres for the education of deaf children in Pakistan, while in Turkey it is involved with pre-school education for the Deaf School in Eskisehir which it is intended should become a model institution for teaching deaf children throughout Turkey.

Saint Christopher and Nevis

The Associated State of Saint Christopher and Nevis, whose links with Britain go back to the early seventeenth century, became the independent constitutional monarchy of the Federation of Saint Christopher and Nevis at midnight on 18 September. At the same time it became the forty-eighth member of the Commonwealth. The first Prime Minister of Saint Christopher and Nevis is Dr Kennedy A. Simmonds, the former Premier of the Associated State and the leader of the People's Action Movement.

Saint Christopher and Nevis is the last of the Associated States in the Caribbean, established by the West Indies Act 1967, to move to full independence, following Grenada in 1974, Dominica in 1978, Saint Lucia and Saint Vincent and the Grenadines in 1979, and Antigua and Barbuda in 1981. As an Associated State, Saint Christopher and Nevis had complete control of its internal affairs, including power to amend its constitution, while Britain was responsible for external relations and defence, retaining the necessary legislative and executive authority in these matters. The British Government, however, discharged these responsibilities in close consultation with the Government of Saint Christopher and Nevis and also delegated executive authority to Saint Christopher and Nevis in a wide field of external relations.

Following a constitutional conference in London in December 1982 (see pp 55-8) a draft independence constitution, taking account of the conference's deliberations, was approved by the Saint Christopher and Nevis House of Assembly on 16 March 1983. The British Government, having satisfied itself that the majority of the population agreed that the status of association should be terminated and that the proposed constitution made proper provision for the preservation of fundamental rights and the rule of law, agreed to the Saint Christopher and Nevis Government's request to terminate the association status, and Orders in Council to this effect were approved by the British Parliament in May.

Independence Constitution

The independence constitution is based largely on the terms of the existing constitution. Apart from the transfer of responsibility for external affairs and defence to the Saint Christopher and Nevis Government, the main changes involve the replacement of the Governor by a Governor-General as the Queen's representative in the country and an increase in the number of elected members, styled Representatives, in the renamed National Assembly, from nine to eleven (eight from Saint Christopher and three from Nevis). There are also three members, known as Senators, appointed by the Governor-General, two on the advice of the Prime Minister and one on the advice of the Leader of the Opposition. Each Parliament[1] will have a life of five years unless dissolved before that time. The Cabinet, which is collectively responsible to Parliament, consists of the Prime Minister – the Governor-General appointing the Representative who appears to him likely to command the support of the majority of Representatives – and other ministers appointed on the advice of the Prime Minister.

The constitution also contains entrenched provisions for the autonomy of Nevis within the Federation and for its secession from the Federation. There is a Deputy Governor-General for Nevis, and a Nevis Island Legislature[1] and Administration. The Nevis Assembly, consisting of five elected members and three nominated members, the latter appointed by the Governor-General, has exclusive power to make laws for Nevis in certain defined matters such as agriculture, hotels, housing, industry and roads, while the Administration has exclusive administrative responsibility within Nevis for certain specific matters such as airports and seaports; education; extraction and processing of minerals; fisheries; health and welfare; labour and the licensing of imports and exports. The provisions for Nevis to secede from the Federation require the passage of a bill in the Nevis Assembly supported by a two-thirds majority of the elected members, and its subsequent approval by not less than two-thirds of the votes cast in a referendum in Nevis.

Like the other former Associated States, Saint Christopher and Nevis retains its connection with the Eastern Caribbean Supreme Court, consisting of a Court of Appeal and a High Court. The Judicial Committee of the Privy Council remains the final Court of Appeal.

[For further information, see COI reference paper *Saint Christopher and Nevis*, No 218/83.]

[1]Parliament comprises the Queen together with the National Assembly. Similarly, the Nevis Island Legislature consists of the Queen and the Nevis Assembly.

Balance of Payments in 1982

Britain's current account of the balance of payments showed a surplus of nearly £5,500 million in 1982; the surplus on visible trade was over £2,100 million and that on invisible transactions £3,300 million (with an increase of nearly 25 per cent over the year in the net overseas earnings of the City of London). Import volume rose by more than export volume during the year, lowering the visible surplus below the 1981 level, while a large rise in government transactions was the main cause of a reduction in the surplus on invisibles.

Revised figures for the balance of payments over the last 11 years are contained in the latest Balance of Payments Pink Book, published on 1 September.[1] Provisional figures were given in an article on pp 135-9. The present article briefly describes the main changes in the balance of payments in 1982, drawing on some of the points made in a Central Statistical Office press notice of 31 August.

[1] *United Kingdom Balance of Payments 1983 Edition.* Central Statistical Office. HMSO, £9·95. ISBN 0 11 620054 5.

Current Account

The surplus on current account was £5,428 million in 1982, having been £6,547 million in 1981 (see Table 1). The visible trade surplus fell from £3,008 million to £2,119 million, with exports rising in value by 9 per cent but imports by 11 per cent (see Table 2).

Invisible Trade

Credits on invisible transactions amounted to £31,724 million in 1982 and debits to £28,415 million, resulting in a surplus of £3,309 million compared with one of £3,539 million in 1981. There was a surplus of £3,844 million on services, one of £1,577 million on interest, profits and dividends and a deficit of £2,112 million on transfers.

The services account in 1982 consisted of the customary deficit (£804 million compared with £526 million in 1981) on general government transactions and a surplus on the transactions of the private sector and public corporations (£4,648 million against £4,775 million the previous year). The sea transport account moved further into deficit, with increased payments to overseas operators for freight on British imports, while the traditional surplus on civil aviation was, in 1982,

Table 1
Summary Balance of Payments

£ million

	1972	1977	1980	1981	1982
Visible trade balance	–748	–2,284	+1,233	+3,008	+2,119
Invisible trade balance	+971	+2,338	+2,002	+3,539	+3,309
of which *Services*	+701	+3,338	+4,267	+4,249	+3,844
Interest, profits and dividends	+538	+ 116	– 186	+1,257	+1,577
Transfers	–268	–1,116	–2,079	–1,967	–2,112
Current balance	+223	+ 54	+3,235	+6,547	+5,428
Investment and other capital transactions	–673	+4,166	–1,887	–7,594	–2,851
Allocation of Special Drawing Rights	+124	—	+ 180	+ 158	—
Official financing:					
Net transactions with overseas monetary authorities	+449	+1,113	– 140	– 145	– 163
Foreign currency borrowing (net)	—	+1,114	– 941	–1,587	+ 26
Official reserves*	+692	–9,588	– 291	+2,419	+1,421
Balancing item	–815	+3,141	– 156	+ 202	–3,861

*Drawings on (+)/additions to (–).

Table 2
Current Account

£ million

	1972	1977	1980	1981	1982
Exports (free on board)	9,437	31,728	47,415	50,977	55,546
Imports (free on board)	10,185	34,012	46,182	47,969	53,427
Visible balance	**– 748**	**– 2,284**	**+ 1,233**	**+ 3,008**	**+ 2,119**
Invisible trade balance:	**+ 971**	**+ 2,338**	**+ 2,002**	**+ 3,539**	**+ 3,309**
Services:					
General government	– 351	– 699	– 633	– 526	– 804
Private sector and public corporations:					
Sea transport	– 81	+ 88	+ 141	– 160	– 343
Civil aviation	+ 70	+ 219	+ 395	+ 437	+ 391
Travel	+ 41	+ 1,166	+ 223	– 301	– 466
Financial services	+ 529	+ 1,391	+ 1,601	+ 1,971	+ 2,145
Other services	+ 493	+ 1,173	+ 2,540	+ 2,828	+ 2,921
Interest, profits and dividends:					
General government	– 142	– 721	– 606	– 668	– 800
Private sector and public corporations	+ 680	+ 837	+ 420	+ 1,925	+ 2,377
Transfers:					
General government	– 234	– 1,116	– 1,823	– 1,689	– 1,844
Private sector	– 34	—	– 256	– 278	– 268
Current balance	**+ 223**	**+ 54**	**+ 3,235**	**+ 6,547**	**+ 5,428**

Table 3
Analysis of Investment and Other Capital Transactions

£ million

	1972	1977	1980	1981	1982
Overseas investment in Britain	+ 772	+4,399	+5,240	+ 3,362	+ 3,459
British private investment overseas	–1,402	–2,334	–8,146	–10,671	–10,768
Official long-term capital	– 254	– 303	– 91	– 336	– 337
Trade credit	– 211	– 355	–1,156	– 847	– 1,389
Foreign currency borrowing or lending abroad by British banks	+ 471	+ 364	+2,054	+ 1,462	+ 4,173
Changes in external sterling liabilities	+ 196	+1,471	+3,820	+ 2,756	+ 4,572
External sterling lending by British banks	– 241	+ 58	–2,500	– 2,954	– 3,243
Other external borrowing or lending	+ 146	+ 813	– 865	– 467	+ 432
Other transactions	– 150	+ 53	– 243	+ 101	+ 250
Total	**– 673**	**+4,166**	**–1,887**	**– 7,594**	**– 2,851**

some £50 million lower than in 1981 largely because of a rise in revenues accruing to overseas airlines from British passengers. The deterioration in the travel account, which in 1981 had recorded its first deficit since 1967, continued in 1982. Although credits rose by 7 per cent, with substantial increases in expenditure in Britain by visitors from North America and the Middle East, debits rose by 12 per cent. The surplus on financial services (for which credits only are recorded as earnings in Britain by overseas financial institutions, considered negligible, are included in the debits for other services) rose to nearly £2,150 million in 1982 with the surplus on banking alone increasing by £84 million. The surplus on other services (including, for example, earnings on construction work overseas and royalties) rose in 1982 by just under £100 million.

The surplus on interest, profits and dividends rose from £1,257 million in 1981 to £1,577 million in 1982, the general government deficit being greatly outweighed by the surplus of the private sector and public corporations. Earnings on portfolio investment overseas rose by about two-thirds, reflecting the growth in overseas investment following the abolition of exchange controls in 1979 (see p 162, 1980), while net interest on borrowing and lending in foreign currencies by British financial institutions increased by well over 40 per cent. Credits from external

lending in sterling by British banks rose by nearly one-third.

Net overseas earnings of the City of London (which are included partly in services and partly in interest, profits and dividends) grew from about £3,500 million in 1981 to nearly £4,400 million in 1982, with increases in almost every broad group. The two largest, insurance and banking, increased their net earnings by 20 per cent and 24 per cent respectively while those of pension funds, although still low in absolute terms, nearly trebled.

The increase in the deficit on transfers in 1982 was £145 million, which was more than accounted for by general government. The deficit on general government transfers with the European Community rose in 1982 by nearly £200 million. There were substantially increased credits from budgetary refunds arising from the agreement of May 1980 (see pp 182-3 and 314-15, 1980) but these were more than offset by higher payments in respect of customs duties, value added tax and budgetary contributions. General government bilateral grants, however, fell from £587 million in 1981 to £499 million in 1982.

Investment and Other Capital Transactions

The large current account surplus in 1982 was reflected in a substantial net acquisition of assets overseas. Total identified overseas investment and other capital transactions amounted to £2,851 million compared with £7,594 million in 1981 (see Table 3). Overseas investment in Britain, British private investment overseas and official long-term capital were little changed between 1981 and 1982. The inflow from foreign currency borrowing and lending abroad by British banks in 1982, however, was nearly three times the 1981 level, most of the rise reflecting borrowing to finance the purchase of bonds and other overseas investments by the banks.

Official Financing

Within official financing there were small repayments of borrowing during 1982. Drawings on the official reserves amounted to £1,421 million but changes in valuation meant that the level rose by £1,000 million during 1982 to reach nearly £13,000 million by the end of the year.

Rates

The Government has announced in a White Paper[1] that it is to seek powers to limit the level of rates (a form of tax on property) levied by local authorities in England and Wales; this has become necessary in order to check overspending by a small number of authorities. Possible alternative forms of local taxation to replace rates are rejected in favour of measures to improve the existing system, which will also be considered for Scotland.

[1] *Rates: Proposals for rate limitation and reform of the rating system.* Cmnd 9008. Department of the Environment and Welsh Office. HMSO, £3·15. ISBN 0 10 190080 5.

The main points of the White Paper applying to England and Wales, published on 1 August, are summarised below.

Introduction

As part of its management of the economy, the Government sets limits for local authority expenditure. Until recently, local government (which obtains its powers solely from Parliament) observed the implicit understanding that its aggregate expenditure should not exceed the planning totals determined by central government; that understanding has now broken down.

Since 1979, following a long period of increasing expenditure, the Government has introduced a number of measures aimed at limiting expenditure by increasing the accountability of local government to the electorate. These have included reductions in Exchequer grant, a new system of block grant and the abolition of the power to levy supplementary rates (see pp 50-2, 1982). Despite some success with these measures, local government as a whole continues to spend more than the country can afford, the problem being greatly aggravated by the behaviour of a small number of large authorities. Had local government kept within the Government's spending plans, rate increases would on average have been below the general level of inflation. Eighty per cent of authorities were spending at or near to target in 1983-84, with 75 per cent of the budgeted overspending of over £770 million being attributable to only 16 authorities.

The seriousness of the problem is understated by the current level of overspending as the targets themselves are based on a public expenditure provision which has been raised to take account of past overspending by local authorities. More economies are required from all authorities but especially from those with a high level of spending and rates. The Government therefore intends to seek powers to limit the rates of these authorities as well as general powers to limit those of all authorities should this prove necessary.

Alternatives to Rates

The White Paper emphasises the importance of seeking greater accountability of local authorities to ratepayers. The consultative document *Alternatives to Domestic Rates* (see pp 20-1, 1982) set out a number of criteria against which a system of local taxation should be judged and, in the light of these, had considered four main alternatives to reform of the rates system: a local sales tax, a poll tax, a local income tax and assigned revenues. These all suffered from drawbacks, however, and the 1,500 responses to the consultative document had shown no consensus in favour of an alternative to rates. The Government has therefore concluded that rates should remain the main source of revenue for local government but proposals for specific changes to improve the fairness and accountability of the system will be put forward.

Selective Limitation of Rates

The Government is to seek powers to limit the rate levels of those authorities whose high spend-

ing has imposed an excessive rate burden on householders and businesses. Every year high-spending authorities will be identified and a maximum rate fixed for them for the following year. Subject to parliamentary approval, the Government intends to bring the scheme into operation in the summer of 1984, with rate limitation applying for the first time in the 1985-86 financial year.

The selective scheme will apply to only a small number of local authorities. It is not intended that the proposals will affect authorities that have been spending below their grant-related expenditure assessment – the objective assessment of the cost of providing a typical standard of service. Also, it is proposed to exclude smaller authorities from the scope of the selective scheme. An exclusion limit of annual expenditure of £10 million would remove 275 of the 296 non-metropolitan districts in England and 34 of the 37 Welsh district councils. The Government will, as early as possible each year, notify the authorities involved of the expenditure level proposed to be used in the calculation of their rate limit; authorities will have the right of appeal.

After the rate support grant settlement has been made in December it will be possible to derive the maximum rate required to finance an authority's approved expenditure. The Government will be empowered to take into account an authority's balances or other reserves when making the calculation, enabling it to set a lower rate limit for authorities which have accumulated large balances, possibly as a result of excessive rate increases in 1984-85 before the scheme comes into force.

General Limitation

If the selective limitation scheme, together with the rate support grant system, proves inadequate to deal with the problem of high rates the Government will seek parliamentary approval for a general limitation of rates.

Rate Reform Measures

The White Paper contains a number of proposed measures for the reform of the rating system now that it is to remain the major source of local revenue. As significant changes in the relative values of some properties have occurred since the last revaluation, in 1973, the Government has decided on a revaluation of non-domestic property in England and Wales and is considering the case for a domestic property revaluation as well.

The Government intends that ratepayers should receive notification of the rate poundage[1] and the amount being levied. Domestic tenants whose rates are included in their rent should also receive this information.

In order to aid industry, the Government proposes to place a statutory duty on authorities to consult representatives of business before fixing rates; it also intends to suspend local authorities' powers to levy rates on empty industrial property from 1 April 1984. From the same date the rateable value limit for payment of rates by instalments will be raised to £5,000 for properties outside London and to £10,000 for properties in London. Finally, a consultative document about ways of improving the procedures for changes in the valuation list between general revaluations is to be issued.

[1]The rate poundage is expressed as a number of pence in the pound. This figure (fixed at a level decided by the local authority in the light of its estimated commitments and resources), multiplied by the rateable value of the property, determines the amount to be paid in rates by the property owner.

Scotland

Another White Paper,[1] published on 31 August, pointed out that there was also no clear feeling in Scotland in favour of radical change. The Government had therefore decided to make reforms to what it regarded as a basically sound rating system.

Building Consultancy Overseas

British architects, consulting engineers and surveyors have continued to win orders in nearly every area of the world, and a number of them have won Queen's awards for export achievement.

The three professional organisations concerned reported on British consultancy work overseas in *British business* for 2 September. Some examples are given below. An article on building and civil engineering work undertaken overseas in 1982-83 by British contractors, together with figures for the overseas earnings of all British contractors, consultants and suppliers associated with construction, will appear in a future issue of *Survey of Current Affairs*.

Architects

Members of the Royal Institute of British Architects are engaged in a wide range of projects all around the world.

Architects Copartnership received a Queen's award for export achievement in 1983 (see p 199) for projects including five hospitals in Saudi Arabia, a 250-bed teaching hospital in Iraq, four technical schools in Oman, two 600-bed hospitals in Trinidad and international exhibition complexes in Sudan and Jordan.

The Brewer Smith Brewer Group has been active in the United States, Canada and Australia. In the United States, Brewer Smith and Brewer Kernisan and an American firm prepared a plan for a mixed-use luxury development (including a hotel, apartments, boutiques and restaurants) of a riverside area in the French quarter of New Orleans. In Canada, Brewer Smith and Brewer Maxwell has completed a review of the development control plan for the Winnipeg Health Sciences Centre, and is working on a 140-bed children's hospital and a major hospital extension. In South Australia, the group is carrying out a study and appraisal of

[1]*Valuation and Rating in Scotland: Proposals for Reform*. Cmnd 9018. Scottish Office. HMSO, £1·75. ISBN 0 10 190180 1.

investment alternatives for an Adelaide hospital and a study of community-based health services in the state.

James Cubitt and Partners have been involved in a number of projects in Nigeria. These include university buildings, a 500-bed teaching hospital, an edible oils complex for Lever Bros (Nigeria), and an office building on the Lagos marina. In Libya, the practice's work at two universities has continued, while in Iraq it has been associated with Ove Arup and Partners, the Bank of England and the Birmingham Mint in the design of a high security printing and minting complex for the Central Bank of Iraq.

Clifford Culpin and Partners are providing a team of urban management advisers who are helping to prepare a long-term development strategy for Jakarta and neighbouring rural areas in Indonesia.

In Hong Kong, work is now in progress on the Hong Kong and Shanghai Banking Corporation building designed by Foster Associates. This 180-m (590-ft) skyscraper is not only a high-technology building but reflects a close study of traditional Chinese architecture.

In Spain, GCB International Design Group has completed the renovation and refurbishment of a hotel in Marbella, and a feasibility study for a large-scale tourist development in Lanzarote (in conjunction with Ove Arup Partnership), while the Lew Hoad tennis village in Mijas is nearing completion.

The Halcrow Group's work in the United Arab Emirates includes an extension to the Sharjah international airport, one of the Group's most recently completed projects. Work is also due to start soon on a retail market, a zoological garden and a commercial and residential development. In Saudi Arabia construction is under way of a quality control laboratory and a staff clinic, the first phase of a larger complex covering 7,000 sq m (53,000 sq ft). In Jordan the Group has been appointed to prepare a viability study and master plan for the creation of the Queen Alia airport new town. The design of metro systems in Singapore and Baghdad have been among other projects completed by the practice recently. A number of commissions in hand in Italy are connected with tourism and include a master plan for the Cilento area to the south of Palermo and similar work for the island of San Pietro off the Sardinian coast.

Hospital Design Partnership has been awarded a contract to design a 280-bed central emergency hospital and refurbish another hospital in Abu Dhabi in the United Arab Emirates.

In Bangladesh, Donald W. Insall and Associates have been commissioned by the United Nations Educational, Scientific and Cultural Organisation to provide advice on the conservation and display of a ruined monastery in Paharpur and of mosques in Bagerhat.

On a mountain site in Malaysia, Robert Matthew, Johnson-Marshall and Partners are acting as consultants for the Sabah Institute for Administration and Research. A new complex is being designed to provide teaching and residential accommodation and facilities for international conferences. The practice won a Queen's award for export achievement in 1983.

Recent overseas projects by Richard Rogers and Partners include the development of pedestrian facilities along the River Arno in Florence, Italy, and a manufacturing and distribution centre at Quimper in Brittany, France.

Scott, Brownrigg and Turner continues to be active in the Middle East. Construction work nears completion on the Saddam international airport in Baghdad, Iraq, while designs are being prepared for a new airport at Erbil in the north of the country. 'Designwork', an interior design group established by the practice, has won a commission to furbish the new headquarters building for a joint Abu Dhabi/Japanese oil development company in the United Arab Emirates. Current work by Scott, Brownrigg and Turner in Saudi Arabia includes planning studies for a new township outside Jedda, two recreational centres in Jedda, and a major industrial park. The group is also designing the new Saudi embassy in Bahrain.

The Shankland Cox group has recently completed regional development projects for the Junk Bay Development Office in Hong Kong and for the provincial government of the north Solomon Islands, Papua New Guinea. Urban development projects include the preparation of draft building codes for the Doha municipality in Qatar and the Port Said master plan for Britain's Overseas Development Administration and the Government of Egypt. Other recent work takes in industrial projects in China and Sudan, tourism developments in Egypt and Chile and the rehabilitation and extension of schools in Hong Kong and Jordan.

A marked increase in the volume of overseas work undertaken by the YRM Partnership in the last few years led to the practice winning a Queen's award for export achievement in 1983. In the Middle East the group has won a commission for residential buildings at the Gulf University, Bahrain, while work has started on the Sultan Qaboos university in Oman. The Hong Kong office is involved in the interior design for ten floors of offices and two floors of banking halls in a new multi-storey tower, and is overseeing construction work on a treasury building for the Hong Kong and Shanghai Bank.

Consulting Engineers

The contribution of members of the Association of Consulting Engineers to Britain's overseas earnings has risen from £425 million in 1980 to £565 million in 1982. Work is taking place in more than 150 countries. The details below are taken from *Overseas Work entrusted to Members during 1982*, published by the Association, as well as from *British business*.

Among major projects in hand or completed in 1982 by Ove Arup and Partners were the design and supervision of roads in the municipality of Benghazi, Libya; the World Trade Fair Centre at Milan, Italy; the first phase of the University of Qatar in Doha; and (in association with Buro Happold) a major project for government buildings in Riyadh, Saudi Arabia.

W. S. Atkins and Partners are providing mechanical and electrical services and supervision of the entire project to build a college of medicine and a hospital in Saudi Arabia, and design and construction supervision of the turbine hall, ancillary equipment and switchgear for a 660-MW pressurised-water reactor at Ko-Ri in South Korea. In the structural field the firm is providing project management for a new town housing development at Ajaokuta, Nigeria, civil engineering design, project planning and financial control services for a project to increase the supply of potable water to Baghdad, Iraq, consultancy services for a new steel rod mill in Nador, Morocco (in association with a French consultancy), and basic engineering consultancy for new power, oxygen and steel plant for the Seixal steel plant expansion project in Portugal (with Portuguese and Dutch firms).

One of Binnie and Partners' largest projects is the Arakhthos River hydro-electric project in Greece, comprising a feasibility study and the design of four dams, powerhouses and a 14-km (9-mile) tunnel. This is being carried out with Sir William Halcrow, Kennedy and Donkin and four other European firms. In Turkey, the firm is responsible for the design of a dam, spillway and 1,200-MW power station for the Ilisu dam and hydro-electric project, this time in association with James Williamson and Partners, Kennedy and Donkin and two local firms. In the Middle East, Binnie and Partners are working on the improvement and rehabilitation of the irrigation system for an area of 65,000 hectares (160,000 acres) in the Greater Mussayib region of Iraq, and on the infrastructure for an industrial estate at Jubail in Saudi Arabia, including a seawater desalination plant, residential and industrial waste water treatment plants, and 260 km (160 miles) of water mains and sewers.

Sir Alexander Gibb and Partners have been commissioned to develop the commercial and industrial port at Zwara, in Libya, to provide engineering advice and assistance on the dam and power station for the Palmer hydro-electric project in Uruguay (in association with Merz and McLellan), and to design a dam and irrigation and drainage works for a sugar company in Nigeria (in association with a local firm). In Sri Lanka, work continues in association with Preece Cardew and Rider on the Victoria dam and hydro-electric scheme.

Kennedy and Donkin are working on a number of power station projects including the Senoko scheme in Singapore, the Morupule coal-fired station in Botswana (in association with WLPU Consultants), the Batangas coal-fired station in the Philippines (in association with Sir William Halcrow), and the Planta Centro station in Venezuela (in association with Allott and Lomax).

In the same field Merz and McLellan is inspecting and testing equipment for four generating station projects in Canada, the Angra power station in Brazil and seven power stations in South Africa. In central Saudi Arabia the firm is working on 380 km (240 miles) of transmission lines (in association with Saudconsult) and in Zimbabwe is overseeing the installation of power plant for the Wankie power station.

Sir W. MacDonald and Partners are designing two major projects in the Middle East: the Lower Khalis irrigation, land development and drainage project, covering 93,000 hectares (230,000 acres), in Iraq, and a water supply and aquifer project in Saudi Arabia which will provide Riyadh with an additional 200,000 cubic m (44 million gallons) of drinking water a day.

Firms in the Mott, Hay and Anderson group are working on a number of rapid transit systems in different parts of the world. In Canada, Mott, Hay and Anderson International are working with a local firm on ventilation for the Vancouver Rapid Transit system. In the United States the firm is working on tunnelling for the Buffalo light rail rapid transit, and tunnelling methods, station size and layout for the Los Angeles Metro. For the Melbourne Underground rail loop in Australia, Mott, Hay and Anderson are providing planning, design, construction supervision and overall project management, while Mott, Hay and Anderson International are designing signalling and communications systems.

Among some of the more unusual projects was the commission for Scott Wilson Kirkpatrick and Partners to help to produce a tourist map of Baghdad, Iraq, and to assist in a street-numbering project for the Baghdad municipality. In Egypt, Cremer and Warner have been working as technical advisers to an Egyptian company attempting, using local rock, to produce triple superphosphate as a substitute for imports, under the country's 1976 five-year plan. At Al Ain in the United Arab Emirates Jan Bobrowski and Partners were consulting engineers for a grandstand for a major camel-racing track, and are working in Canada, at Calgary, Alberta, on an ice-hockey stadium which is to be the central arena for the 1988 winter Olympics. Marchant and Associates have been working for several years assisting a Swiss subsidiary of the Du Pont company in the development of a fibre to be used as a reinforcement in composite materials, particularly for marine and structural purposes.

Chartered Surveyors

The Royal Institution of Chartered Surveyors has over 5,000 members working overseas, about one in ten of the total membership. Foreign currency earnings in 1982-83 showed a 15 per cent increase over the previous year.

In recent years there has been a substantial increase in demand for surveying services in the United States – to the extent that 25 British-based firms now have a total of 52 offices in 18 cities, compared with four firms in six centres in 1975. A major area of activity has been the provision of advice on acquiring commercial and industrial property; the surveyors are usually retained to let or manage the property after its purchase. There has also been a trend for American organisations to appoint chartered surveyors as their international property marketing representatives.

In South America, British surveyors have provided services for irrigation and drainage canals in Guyana and for a new cement plant in Venezuela. Surveying activity in Brazil has been matched by

the provision of property advice, particularly in São Paulo where the supply of office buildings now exceeds demand and owners have been disposing of surplus properties.

In Australia, British chartered quantity surveyors were retained to prepare a cost plan and tender documents for the New South Wales parliament building, and were subsequently responsible for the preparation of valuations, financial statements and the final account. Surveyors are acting as project consultants for office, hotel and shop schemes in every state, and have handled property sales ranging from an island off the Great Barrier Reef to major office blocks.

In the Far East, surveyors have been especially active in Hong Kong where British firms have been appointed to market 150,000 sq m (1·6 million sq ft) of offices, shops and luxury apartments on the Kowloon waterfront and to lease or manage a wide range of commercial, industrial and shopping complexes. Quantity surveying services are also being provided for the refurbishment of a luxury hotel, asset valuations of fuel installations at Kai Tak airport, a 2·5-hectare (6-acre) park, and post-contract services on the new Hong Kong and Shanghai Bank headquarters building. Elsewhere in the Far East chartered surveyors of all disciplines are involved in the Singapore rapid mass transit system. Other major projects in which British firms are assisting include the master plan for Jakarta's new international airport and a hydro-electric tunnelling scheme in Java.

The Middle East continues to provide major opportunities. One firm of surveyors has undertaken pre-contract negotiations and provided full post-consultancy services to international contractors in Saudi Arabia on projects ranging from housing, mosques, recreational centres, university buildings and vocational training centres to petrochemical and breakwater berths, an open sea tanker terminal and the causeway and bridges that will connect the country to Bahrain. In Bahrain itself consultancy assignments have included the headquarters buildings for the Kuwait Asia Bank and an insurance company, the national sports stadium and the Japanese-designed portion of the Gulf University. A British firm has been appointed to let and manage the tallest building in Kuwait; it has 17 office floors, 90 shop units on three floors, a revolving restaurant and a helipad. In Iraq, quantity surveyors have worked on Baghdad's new Sheraton hotel, and full pre-contract, postcontract valuation and final account services were provided for the new headquarters for the Central Bank of Iraq. In Libya, quantity surveyors are members of a team appointed to supervise the completion of a 1,200-bed Swedish-designed hospital in Benghazi.

In Nigeria, British chartered surveyors have valued the land, buildings, plant and machinery of what is probably the biggest flour mill in the world. They have valued, sold and managed various commercial and industrial properties in Zimbabwe, and in Tanzania are providing full services on a pulp and paper mill, with associated housing and machinery and infrastructural works.

British firms have been commissioned for projects in most member states of the European Community. In Luxembourg they were appointed by a leading chemical company to market a manufacturing and research complex and received similar instructions about an 85,000-sq m (915,000-sq ft) office park near Schipol airport in the Netherlands. Also in the Netherlands British consultants have been retained to let the Amsterdam World Trade Centre and to let and manage 23,000 sq m (250,000 sq ft) of warehousing and office accommodation in Rotterdam. Surveying services in France have been employed on properties as diverse as a factory for a United States manufacturing company in Brittany, and (all in Paris) the Bank of America's building in the Place Vendôme, the National Museum for Science, Technology and Industry and a shopping gallery and offices on the Champs-Elysées. Sales acquisitions handled by chartered surveyors in the Federal Republic of Germany have included that of the headquarters of the country's largest shipping company.

As in previous years surveying consultants have been active in energy-related projects, particularly in offshore oil extraction, including hydrographic, rig positioning and pipeline surveys and the provision of cost control and contract administration services on drilling and production platforms. On behalf of the European Regional Development Fund, chartered quantity surveyors monitored expenditure on a series of drilling operations to determine sources of geothermal heat for electricity generation in Ethiopia.

Shorter Notes

COLLABORATION ON FAST REACTOR DEVELOPMENT

The Government's decision to open formal negotiations to seek agreement on joint development of fast reactors with France, the Federal Republic of Germany, Italy, Belgium and the Netherlands was announced by the Secretary of State for Energy, Mr Peter Walker, on 5 September. Mr Walker said that Britain was 'among the world leaders in the development of this technology, but by seeking to join this European "club" we expect to gain both technically and economically'. In November 1982 the Government had reaffirmed its commitment to the fast reactor and to the continuing role for Dounreay (see p 416, 1982) and had asked the chairman of the United Kingdom Atomic Energy Authority, in consultation with the nuclear industry, to draw up a development programme which would make the best use of the nation's resources and experience. On the basis of this advice, the Government had decided 'to collaborate with our European neighbours because we shall get the maximum benefit for our own substantial programme if we pool our efforts with our European partners'. France and the Federal Republic of Germany each had a substantial development programme and Italy, Belgium and the Netherlands had multilateral collaborative

agreements with them. Other countries outside Europe, particularly the United States and Japan, were also experienced in fast reactors and the Government was therefore keen to keep open the possibility of extending international collaboration outside Europe when the time was right.

[Britain's first small experimental fast reactor was built at Harwell (Oxfordshire) in 1954 for research purposes. In 1959 the United Kingdom Atomic Energy Authority opened the Dounreay Fast Reactor, a 15-megawatt reactor, which during its 18 years of operation demonstrated the feasibility of using fast reactors to generate electricity and contributed more to the development of fast reactors than any other reactor in the world. It was superseded by the Prototype Fast Reactor, designed to produce 250 megawatts, also at Dounreay, which incorporates some of the features likely to be used in larger commercial reactors. This reactor, completed in 1974, is designed to demonstrate the key engineering, technical, economic and safety features of large fast reactors. Its successful operation has made a valuable contribution to the demonstration of the safety and reliability of fast reactors as a whole.]

Source: Department of Energy press notice, 5.9.83.

MATERIALS INITIATIVE ADVISORY GROUP

The formation of a Materials Initiative Advisory Group to encourage the application of new materials in industry was announced on 2 August by the Minister of State for Trade and Industry, Mr Kenneth Baker.[1] In a field as wide as that of materials, Mr Baker said, it was of the utmost importance to identify the right priorities, and he hoped that industry would participate fully in the programme, together with universities and research establishments, in those areas which offered the greatest promise.

The group, under the chairmanship of John Collyear, who is chairman of Associated Engineering and also of the Mechanical and Electrical Requirements Board, will consist of industrialists with an engineering or materials background. It has been asked to draw up by the end of December 1983 a collaborative programme for a materials initiative to be assisted under the Department of Trade and Industry's Support for Innovation programme (see pp 132 and 210-11, 1982). The initiative will be orientated towards the application of materials, and will draw on the considerable expertise already available in universities and research establishments. Britain has a strong research and development base in new materials, and the current initiative is aimed at focusing this knowledge and expertise and encouraging a more effective translation into industrial applications and improved products. The materials using industries, which form the core of British engineering and manufacturing, can be expected to benefit from the results of the new initiative. The collaborative programme will include improvements of existing materials, the relevant materials processing technologies and the development and adoption of novel materials. Among the terms of reference will be the group's recommendations as to how support for innovation funds can be channelled to encourage and demonstrate civil applications of developments already under way in aerospace and defence.

[1]The initiative follows a report published in July by the Fellowship of Engineering, sponsored by the Department of Trade and Industry, on the use of modern materials in manufacturing. Specific recommendations are made to British industrial organisations on the basis of 16 case histories carried out in five countries. The case histories include liquid crystals for use in calculators and digital watches, carbon fibres for aircraft components, ceramics for industrial combustion engines and plastics for car bumpers.

Source: Department of Trade and Industry press notice, 2.8.83; *British business*, 5.8.83.

ASBESTOS

Further action to control exposure to asbestos dust arising from the use of asbestos in industry has been proposed by the Health and Safety Commission. In the light of the reports of working groups on medical aspects and engineering controls, the Commission has decided that from 1 August 1984 the control limits for asbestos which were introduced on 1 January 1983 (see pp 298-9, 1982) should be reduced from 0·5 to 0·2 fibre per millilitre for brown asbestos (amosite) and from 1 to 0·5 fibre per millilitre for white asbestos (chrysotile), with the possibility of further reductions in this limit. The limit for blue asbestos (crocidolite) would remain at 0·2 fibre per millilitre. Employers will be expected to comply with these levels before this date whenever possible.

The Commission has already agreed that the import, manufacture, marketing and use of blue asbestos and products containing it should be prohibited and has asked the Health and Safety Executive to prepare regulations; a voluntary ban on its use and manufacture already exists. The Commission has also agreed that brown asbestos should be similarly treated from 1 June 1984 and it has asked the Executive to discuss the implications with other government departments.

The Commission has welcomed two European Community directives, agreed in June, and will be advising the Secretary of State for Employment on their implementation. The directives, which deal with the marketing and use of asbestos and with asbestos in the workplace, would implement most of the outstanding recommendations of the final report of the Commission's Advisory Committee on Asbestos. These include: labelling of all asbestos products; risk assessment; notification; a mandatory system of medical surveillance; and recording and demarcation of areas where asbestos is used. Draft asbestos licensing regulations have been agreed by the Commission for submission to the Secretary of State, and it is hoped that regulations will be made within the next few months.

The Commission will be advising the Secretary of State that any work on asbestos insulation or

asbestos coating will need a licence from the Health and Safety Executive unless carried out by employers using their workforce on their own premises, this having been notified to the relevant enforcing authority. Workers will have to be examined by an appointed doctor at least every two years. Individual licenses will be subject to conditions which the Executive considers necessary to protect workers and the public.

The Commission is to set up an asbestos industry working group, bringing together representatives of employers, trade unions, the Health and Safety Executive and others, to look at the practical recommendations of its report on engineering controls and prepare guidance on problems such as methods of engineering control, exhaust ventilation equipment, the cleaning of premises and plant, the use of respirators, and protective clothing. The group would also be concerned with the provision of information and training for management and workpeople, as well as recommending further reductions in the control limit after 1 August 1984.

The Commission recognises the public concern about the lack of any specific control limit for asbestos in the general environment and it is therefore initiating discussions with other government departments with a view to setting up a working group to consider environmental control limits.

Source: Health and Safety Commission press notice, 24.8.83.

ACIDIFICATION OF SURFACE WATERS IN NORWAY AND SWEDEN

The Royal Society, in collaboration with the Norwegian Academy of Science and Letters and the Royal Swedish Academy of Sciences, has agreed to undertake research into the causes of acidification of surface waters in Norway and Sweden and the implications for fisheries. The Central Electricity Generating Board and the National Coal Board are providing initial funds for the research of £5 million over a period of about five years. The content and direction of the research will, however, be entirely in the hands of the Royal Society and the Norwegian and Swedish academies, and the results will be published without restriction.

The aim of the research is to provide an understanding of the processes at work in soils and surface waters in order to be able to predict the effect on fisheries of particular reductions in the amount of acid deposited. The creation of acid rain through industrial discharges, and the extent to which reductions in sulphur dioxide emissions in Britain would change the acidity of rainfall over affected areas of Norway and Sweden, are already the subjects of research in many countries and will not be covered in the Royal Society's research.

The problems of assessing and predicting the effects of acid rain on land and water have proved even more complex than those of its formation and transport through the atmosphere. Because of the great variety in natural ecosystems and in the range of influences on the natural environment, progress in the study of these effects is slow. Conclusions drawn in the early 1970s are now having to be revised on the basis of longer-term observations. The present state of scientific knowledge does not allow the precise relationship to be predicted between levels of acid rain and the composition of surface water, either its acidity after interaction with the minerals in the soil, or the balance of mineral elements after this process.

[In a background note the Central Electricity Generating Board points out that it is implicit in the policies of the British energy industries that their commercial operations should pay due regard to the environment. In 1972 when Sweden put its case study on acid rain to the United Nations Conference on the Human Environment, it became clear that this obligation might extend beyond British boundaries. A study published in 1977 by the Organisation for Economic Co-operation and Development confirmed that emissions from industrial regions were transported over many hundreds of miles, affecting the composition of rain and snow falling even at such distances. Within Europe this is particularly evident in the mountainous regions of Norway and Sweden because of the heavy falls of rain and snow there.

The nature of the complex processes which transform industrial emissions of sulphur dioxide, nitrogen oxides and hydrocarbons into acid rain and snow is the subject of intensive theoretical and experimental research. On present understanding, it appears that a number of European countries contribute significantly to acid deposition in Norway and Sweden, and that Britain may be the largest single contributor. The Central Electricity Generating Board accounts for about half of the sulphur dioxide emitted in Britain but, because of the growing recognition of the role of photochemical oxidants in the acid formation, it has not proved easy to establish how the acidity of rain and snow would respond to a given change in these emissions.

Measures to reduce sulphur dioxide emissions to those implied by the proposals of the 1982 Stockholm Conference on Acidification of the Environment would involve a capital investment of more than £4,000 million in Britain, and the cost of energy from the affected sources would rise by up to 15 per cent. It is therefore extremely important that such proposals should be guided by the best possible scientific advice. Although types of sulphur are almost certainly involved in the present acidity of many surface waters in southern Scandinavia, it is not self-evident that a simple limit to sulphur deposition is appropriate to the problem. In the affected areas lakes receiving the same burden of sulphate can have widely differing acidities and can vary in fishery status from 'fishless' to 'good'. It is becoming apparent that the chemical, hydrological and biological characteristics of individual catchments are vital in determining the acceptability of surface water to fish.]

Source: Royal Society press notice, 5.9.83.

EXPORT CREDITS GUARANTEE DEPARTMENT

The Minister for Trade, Mr Paul Channon, announced on 16 August the appointment of an independent committee to consider the structure, functions and status of the Export Credits Guarantee Department (ECGD – a government department which encourages British exports by making available export credit insurance to exporters and by guaranteeing repayment to British banks which provide finance for export credit). It is hoped that the review will be completed by early 1984.

The committee, under the chairmanship of Sir Peter Matthews, will take particular account of the following: the quality of credit insurance and financing provided by ECGD compared with those available to exporters in other countries; the actual and potential costs of ECGD's operations; and the possibility of privatising some of ECGD's functions or carrying them out in collaboration with the private sector.

The last independent review commissioned by the Government of the operations of ECGD was completed in 1972 (see pp 338-40, 1972); there was also a review in 1958.

Source: ECGD press notice, 16.8.83.

DOCUMENTATION

Government and Administration

Tables of Persons Acquiring Citizenship of the United Kingdom and Colonies 1982. In 1982 citizenship of the United Kingdom and Colonies was acquired within the United Kingdom by a total of 27,822 aliens and British protected persons and 48,456 Commonwealth citizens and citizens of the Irish Republic. Citizenship was granted outside the United Kingdom to 2,868 aliens and British protected persons and 3,087 Commonwealth citizens and citizens of the Irish Republic. Cmnd 9009. HMSO, £3·10. ISBN 0 10 190090 2.

External Affairs and Defence

Statement on the 1983 Community Budget. Contains details of the 1983 European Community's budget and of Britain's contributions to and receipts from it. Cmnd 9030. HMSO, £2·20. ISBN 0 10 190300 6.

Exchange of Notes Between [Britain] . . . and . . . the Lebanese Republic concerning the Deployment of the British Component of the Multi-National Force in Lebanon for a Further Period. Cmnd 8982. HMSO, 75p. ISBN 0 10 189820 7.

British Emergency Relief Aid. COI, No 195/83.

The British Council Annual Report 1982-83 (see p 301). HMSO/British Council, £2·20. ISBN 0 901618 99 3.

British Forces Hong Kong. Observations presented by the Secretary of State for Defence on the Second Report from the Defence Committee. Cmnd 8994. HMSO, £1·30. ISBN 0 10 189940 8.

The British Virgin Islands. COI, No 201/83.

The Cayman Islands. COI, No 204/83.

Saint Christopher and Nevis. COI, No 218/83.

Commonwealth Institute Annual Report 1982. Available free from the Commonwealth Institute, Kensington High Street, London W8 6AQ.

Economic and Scientific Affairs

United Kingdom Balance of Payments 1983 Edition (see p 305). Central Statistical Office. HMSO, £9·95. ISBN 0 11 620054 5.

Rates: Proposals for rate limitation and reform of the rating system (see p 307). Cmnd 9008. Department of the Environment and Welsh Office. HMSO, £3·15. ISBN 0 10 190080 5.

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The enterprises of Alan J. Lewis and Illingworth, Morris PLC. A report on the proposed merger from the Monopolies and Mergers Commission. Cmnd 9012. Department of Trade and Industry. HMSO, £8·40. ISBN 0 10 190120 8.

London Brick PLC and Ibstock Johnsen PLC. A report on the proposed merger from the Monopolies and Mergers Commission. Cmnd 9015. Department of Trade and Industry. HMSO, £5·10. ISBN 0 10 190150 X.

Agriculture in Scotland. Report for 1982. Cmnd 8922. HMSO, £5·45. ISBN 0 10 189220 9.

Highlands and Islands Development Board. Seventeenth annual report 1 January-31 December 1982. Available from HMSO, £2. ISBN 0 902347 75 6.

Britain's Oil and Gas Industries. COI, No 198/83. (Spanish edition in preparation.)

British Technology Group. COI, No 216/83.

Asbestos Materials in Buildings. A comprehensive guidance note on the safety aspects of asbestos materials in buildings. Department of the Environment. HMSO, £3·40. ISBN 0 11 751713 5.

Social and Cultural Affairs

The Police Service in Britain. COI, No 199/83.

Health Education Council Annual Report 1982-83. Available free from the Council, 78 New Oxford Street, London WC1A 1AH.

The Educational System of England and Wales. Available free from the Department of Education and Science, Room 2/11, Elizabeth House, York Road, London SE1 7PH, and from the Welsh Office Education Department, Room 1019, New Crown Buildings, Cathay's Park, Cardiff CF1 3NQ.

Statistics of overseas students in the United Kingdom 1981-82. British Council. £5·75. ISBN 0 86355 000 2.

Broadcasting: Copy of Supplemental Royal Charter Relating to the British Broadcasting Corporation. Enables the BBC to borrow up to a maximum of £150 million with a possible increase to £225 million in order to provide a direct broadcasting service by satellite. Cmnd 9013. HMSO, 75p. ISBN 0 10 190130 5.

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